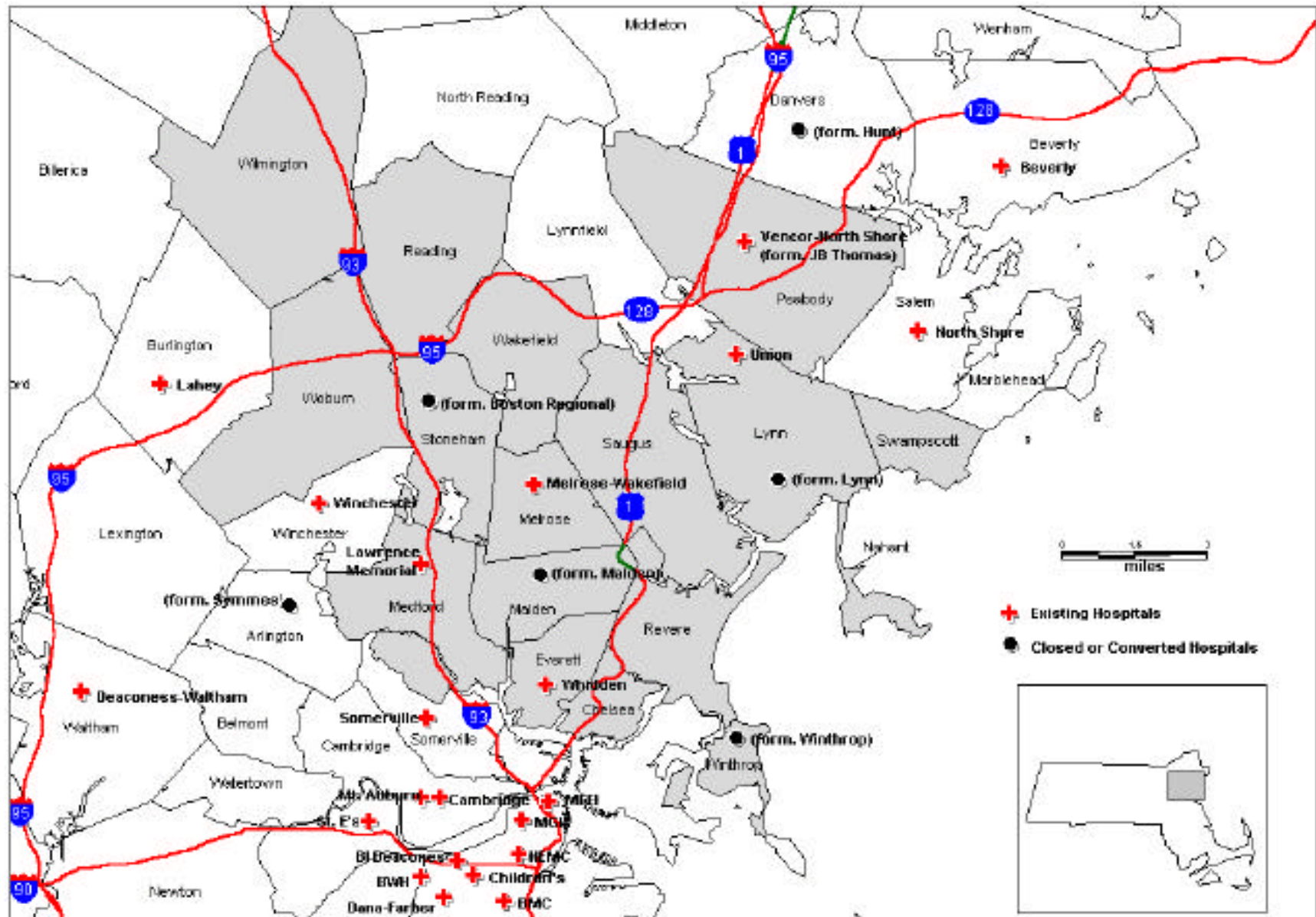


Study Region



Study Region Definition

Towns in the Defined Service Area

Chelsea

Nahant

Swampscott

Everett

Peabody

Wakefield

Lynn

Reading

Wilmington

Malden

Revere

Winthrop

Medford

Saugus

Woburn

Melrose

Stoneham

Population Trends (000's) - By Age Group

Population Trends (in thousands)

	1990	% of Total	2000	% of Total	% Change 1990-2000	2010	% of Total	% Change 2000-2010
Study Region (a)								
0 - 19	133	23.8%	143	25.4%	7.2%	131	23.4%	-8.1%
20 - 64	341	60.9%	340	60.4%	-0.1%	354	63.0%	4.0%
65 +	85	15.2%	80	14.2%	-6.2%	77	13.7%	-4.0%
Total	559	100.0%	563	100.0%	0.7%	562	100.0%	-0.2%
Massachusetts								
0 - 19	1,561	25.9%	1,709	27.0%	9.5%	1,680	25.1%	-1.7%
20 - 64	3,640	60.5%	3,829	60.4%	5.2%	4,166	62.3%	8.8%
65 +	815	13.5%	803	12.7%	-1.5%	845	12.6%	5.2%
Total	6,016	100.0%	6,341	100.0%	5.4%	6,691	100.0%	5.5%
United States (b)								
0 - 17	63,898	25.7%	69,552	25.4%	8.8%	72,775	24.5%	4.6%
18 - 64	153,639	61.8%	167,748	61.2%	9.2%	183,656	61.8%	9.5%
65 +	31,173	12.5%	36,701	13.4%	17.7%	40,515	13.6%	10.4%
Total	248,710	100.0%	274,002	100.0%	10.2%	296,946	100.0%	8.4%

Source: Study Region and Map; Population: MISER 2001, US Population Census, 2001.

Notes:

(a) Index Chaka Ewe Lym Miten Mofod Mice Nahr Pabud Redup Revec Sagus Sornam Swampx Waeft Winingo Wnhqan Wdun

(b) U.S. Population data consists of different age brackets (<64) than that of the Service Area and MA.

Hospitals Serving Residents of Study Region

Teaching Hospitals: (Teaching)

New England Medical Center
Mass General Hospital
Lahey Clinic
Boston Medical Center
Beth-Israel Deaconess Medical Center
Children's Hospital
St. Elizabeth's Hospital
Brigham and Women's Hospital
Mass Eye and Ear

Community Hospitals in Study Region: (Region Comm)

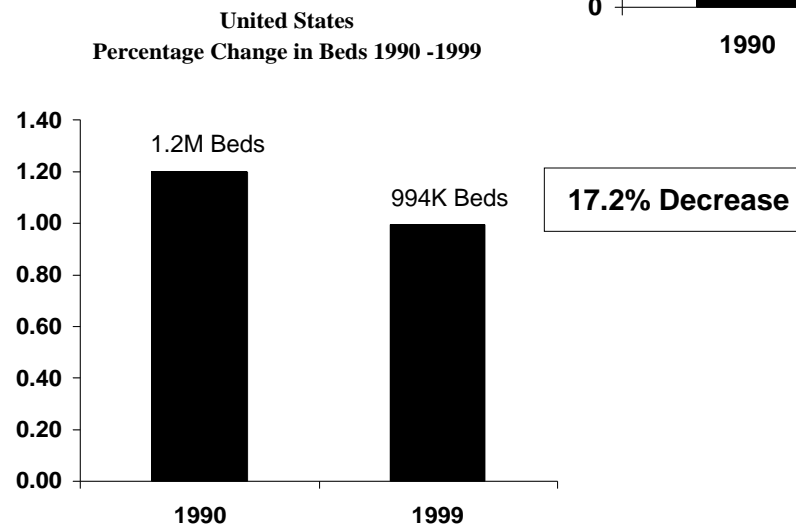
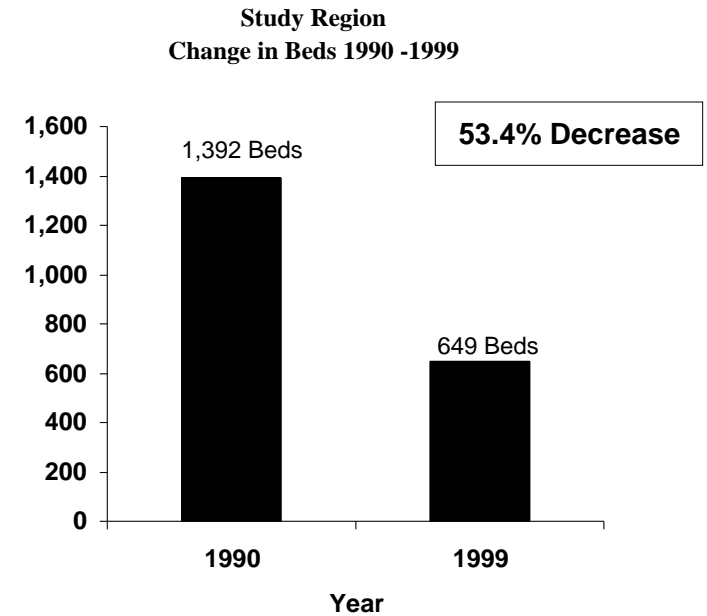
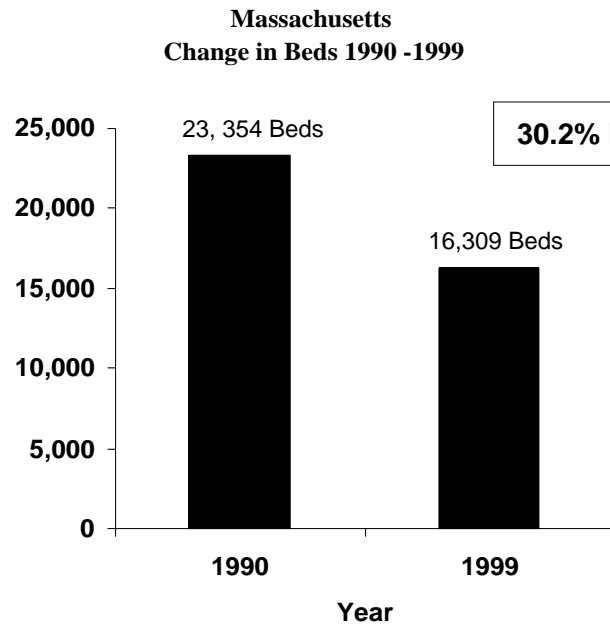
Lawrence Memorial
Atlanticare
Whidden Memorial
Winthrop
Melrose Wakefield
Boston Regional
Malden

Other Community Hospitals: (Other Comm)

Mt. Auburn
JB Thomas
Winchester
Salem
Beverly

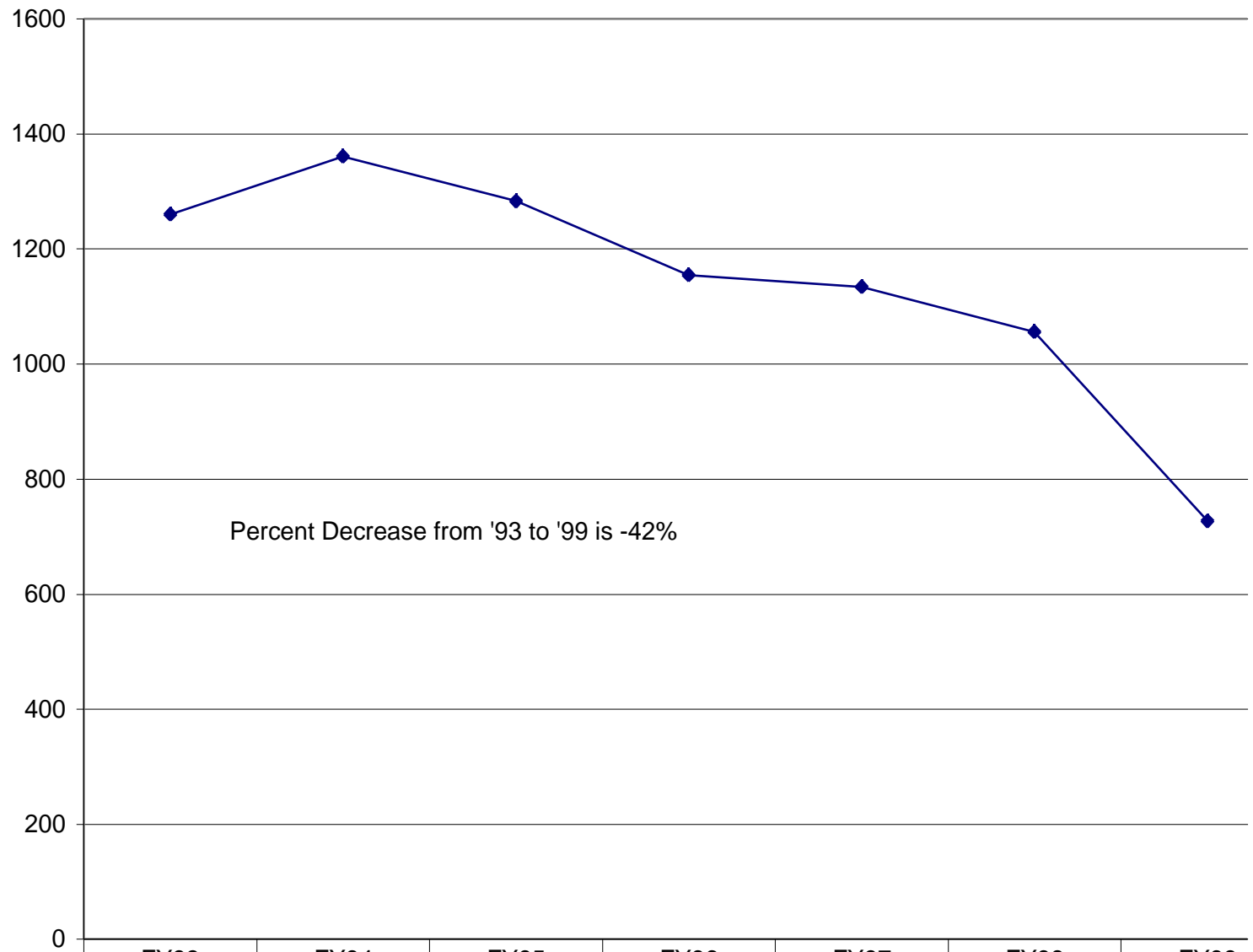
Hospital Beds: 1990 vs. 1999

Between 1990 and 1999, hospital beds in the Study Region decreased at a rate three times that of the US and Massachusetts' percentage drop was nearly twice that of the US.



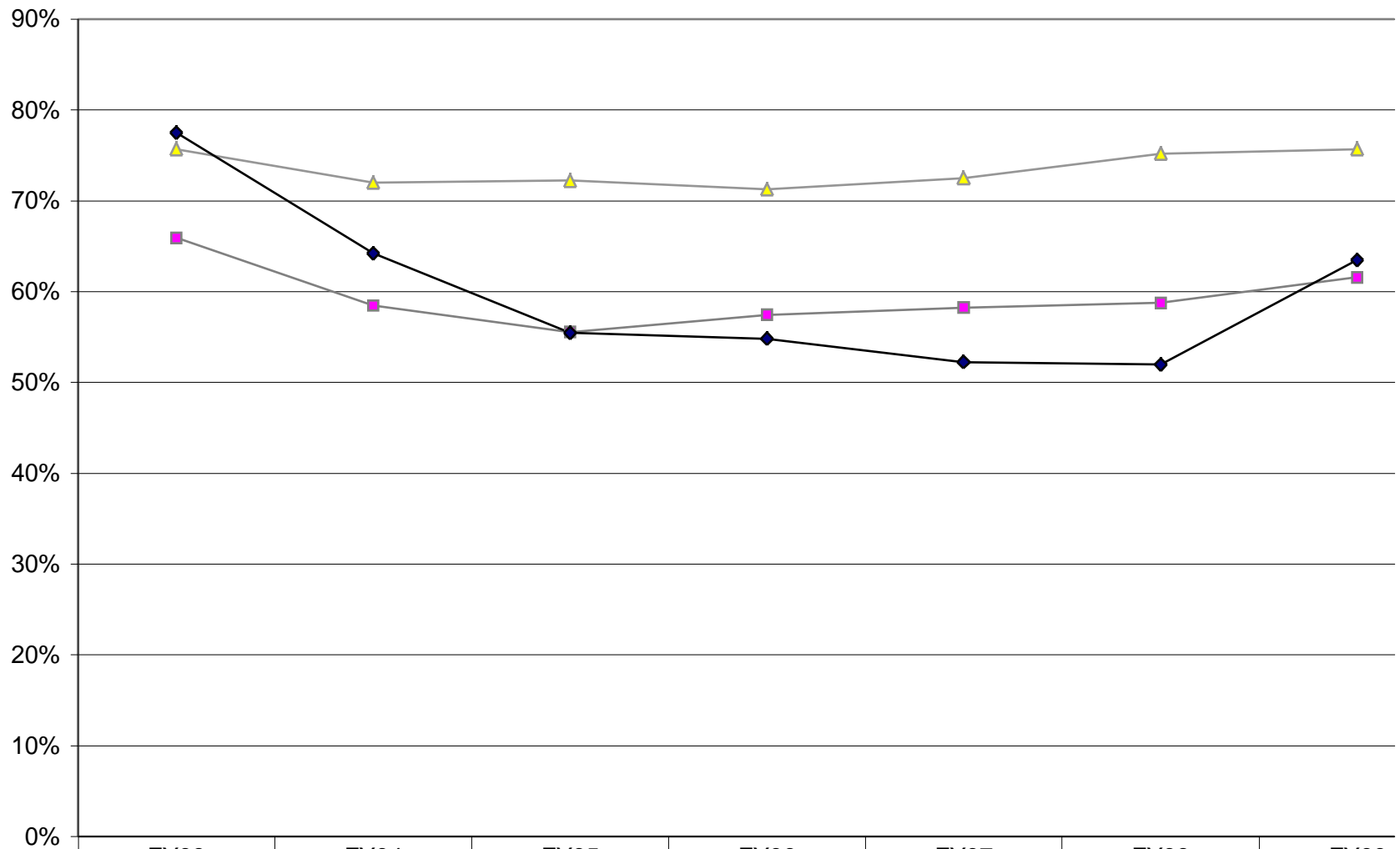
Source: Universal Health Care Almanac.

Total Weighted Operating Beds in Community Hospitals in Study Region



◆ Total Weighted Operating Beds	FY93	FY94	FY95	FY96	FY97	FY98	FY99
	1260	1361	1283	1155	1134	1056	727

Occupancy Rate for Hospitals Serving Residents in Study Area



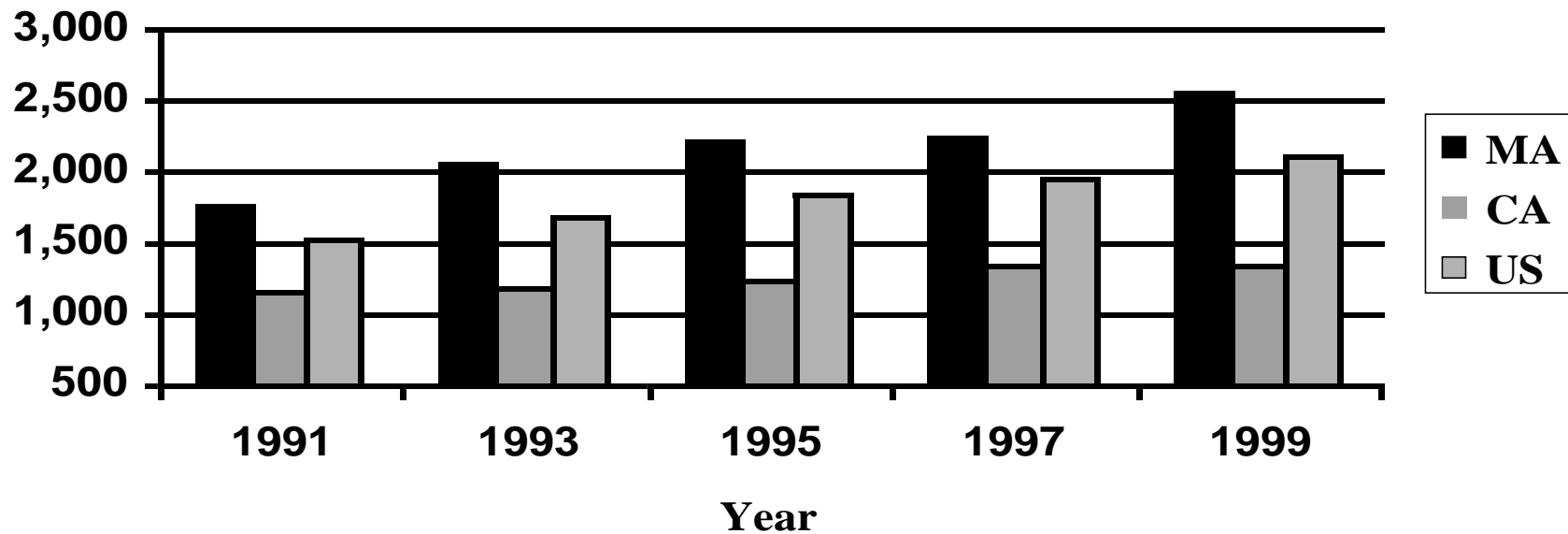
—▲— Teaching	FY93	FY94	FY95	FY96	FY97	FY98	FY99
—■— Other Comm	76%	72%	72%	71%	72%	75%	76%
—◆— Region Comm	66%	58%	56%	57%	58%	59%	62%
	77%	64%	55%	55%	52%	52%	63%

Outpatient Utilization Trends (Acute Care Hospitals)

Outpatient Visits per 1,000 Population Massachusetts, California & US 1991 -1999

% Change 1991-1999

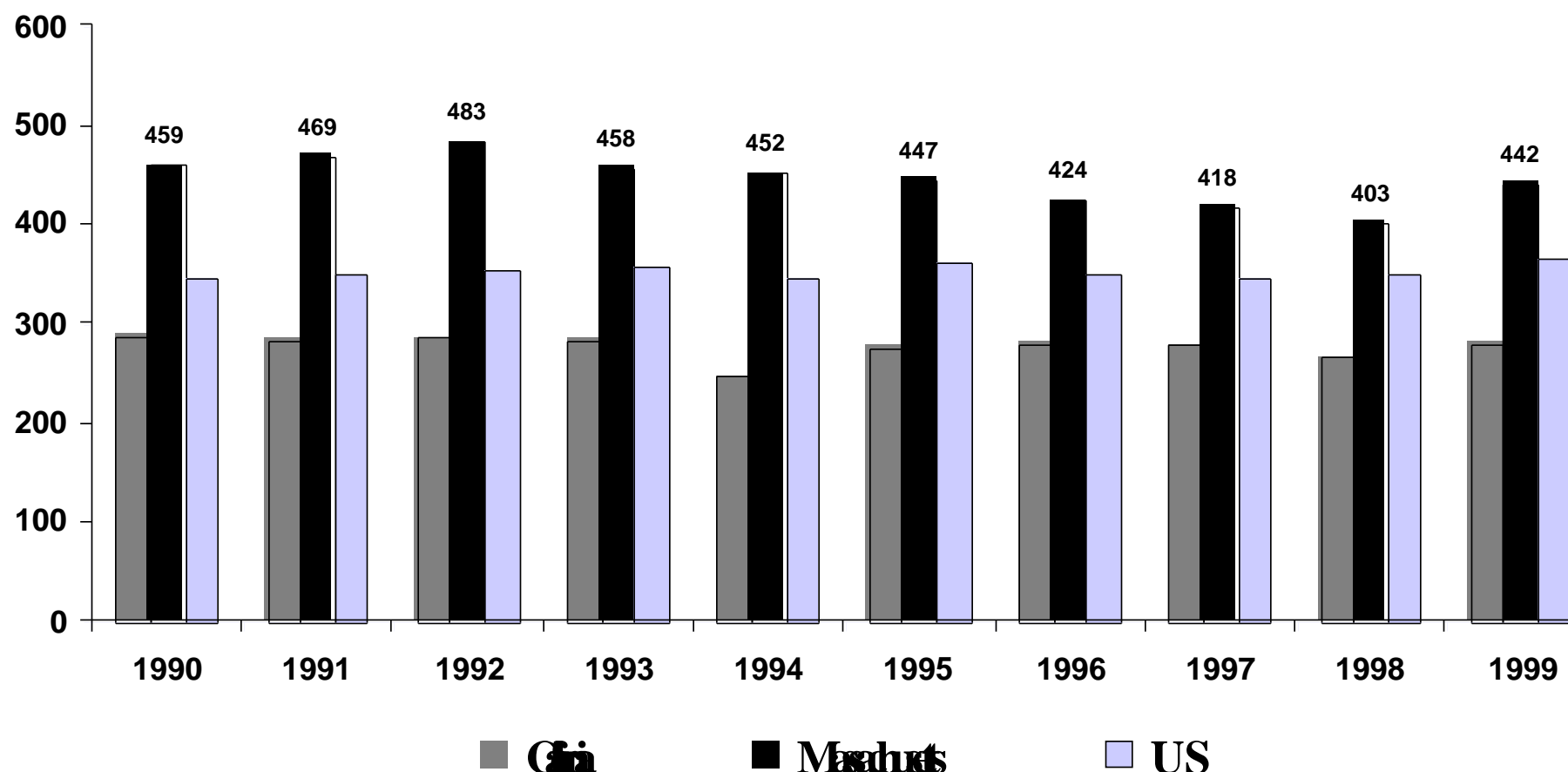
Massachusetts	23.7%
California	14.9%
US	24.5%



Source: Universal Healthcare Almanac

Emergency Visits per 1,000 Population (Community Hospitals)

Massachusetts exhibits a consistently higher number of emergency visits per 1,000 population than other states and the US average.



Source: Universal Health Care Almanac.

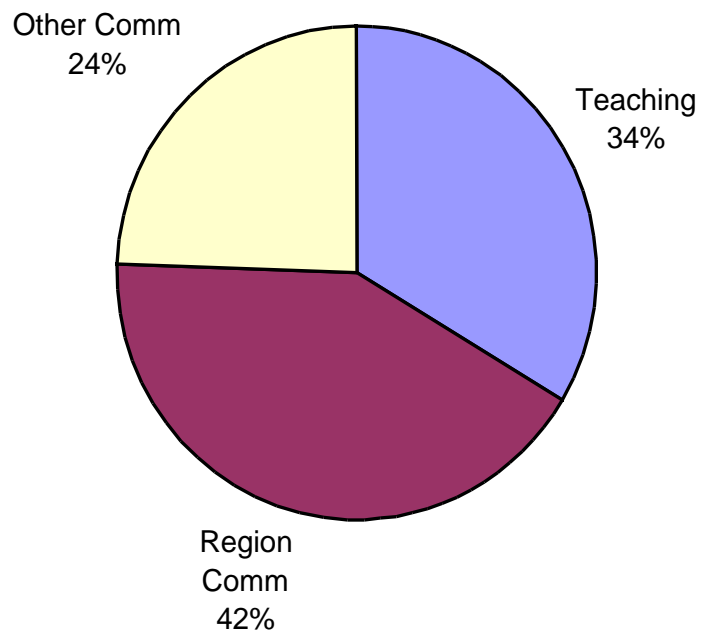
Study Region Discharges

Hospital	1990	1995	1999	Change 1990- 1999	% Change 1990-1999
Melrose-Wakefield	8780	9145	10196	1416	116%
Atlanticare	7747	7167	5221	(2526)	-32.6%
Malden	6964	5216	1967	(5007)	-71.8%
Boston Regional (closed '99)	5899	5700			
Whidden	4751	4642	4065	(686)	-14.4%
Lawrence Memorial	3260	3971	4416	1156	135%
Winthrop	2126				
Subtotal Service Area	39537	35841	25865	(13672)	-34.6%
Teaching Hospitals	31509	31805	33666	2157	6.8%
Other Community	22985	16859	19598	(3387)	-14.7%
Total Service Area Discharges	94031	84505	79129	(14902)	-15.8%

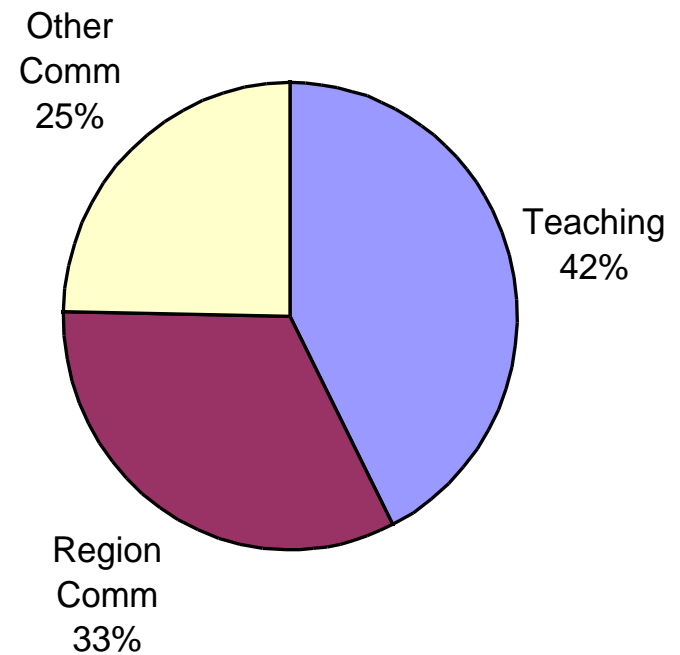
Study Region Market Share

	1990	1995	1999	Change 1990 - 1999	% Change 1990 - 1999
McWalter	9%	8%	9%	5%	0%
Albany	2%	3%	6%	4%	9%
Mass	4%	2%	3%	4%	5%
Baystate	3%	7%			
WV	1%	5%	1%	0%	7%
Lawrence Memorial	5%	7%	6%	1%	0%
WV	2%				
St. Vincent's Hospital	0%	0%	7%	9%	2%
THC	3%	0%	2%	0%	0%
Chambers Hospital	0%	0%	0%	0%	3%
	100.0%	100.0%	100.0%		

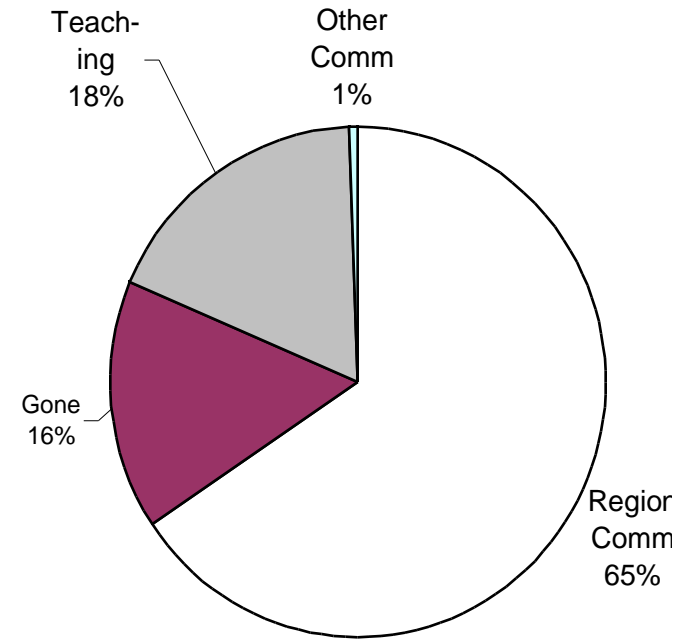
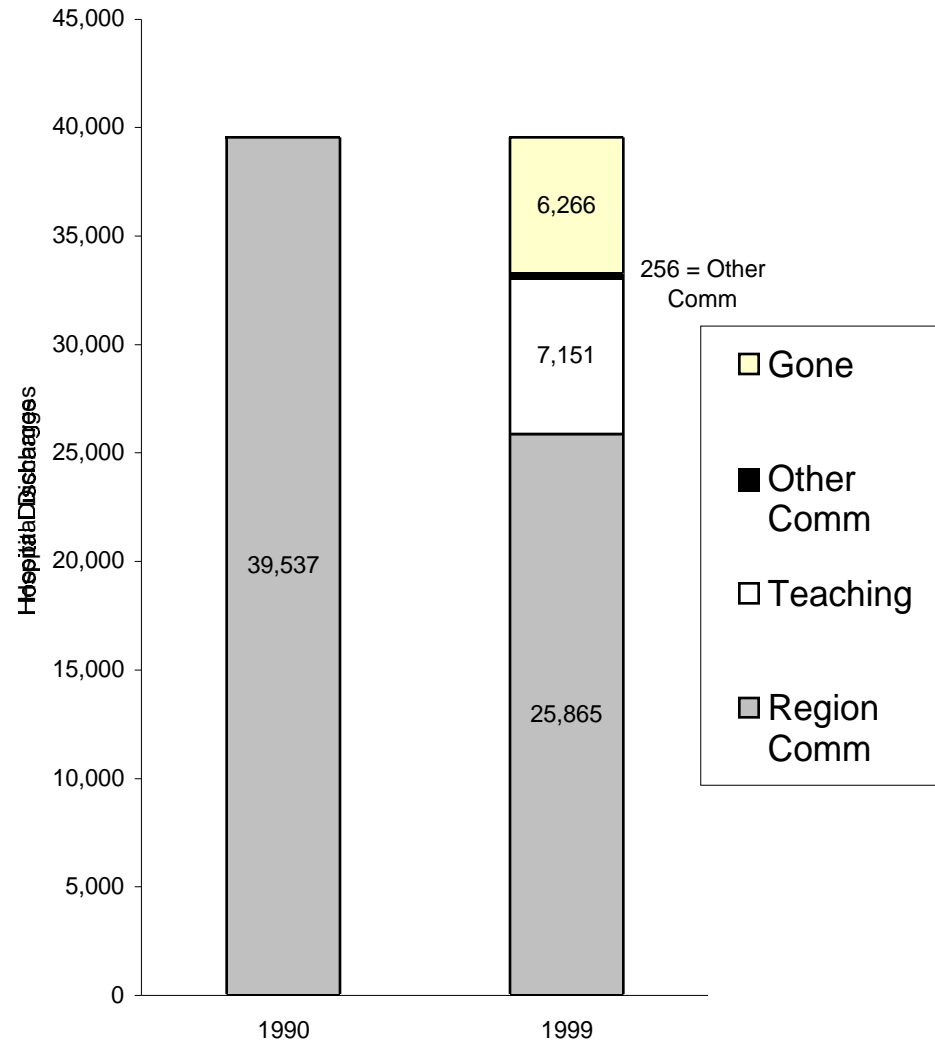
**Distribution of Hospital Discharges
Originating from the Study Area 1990**



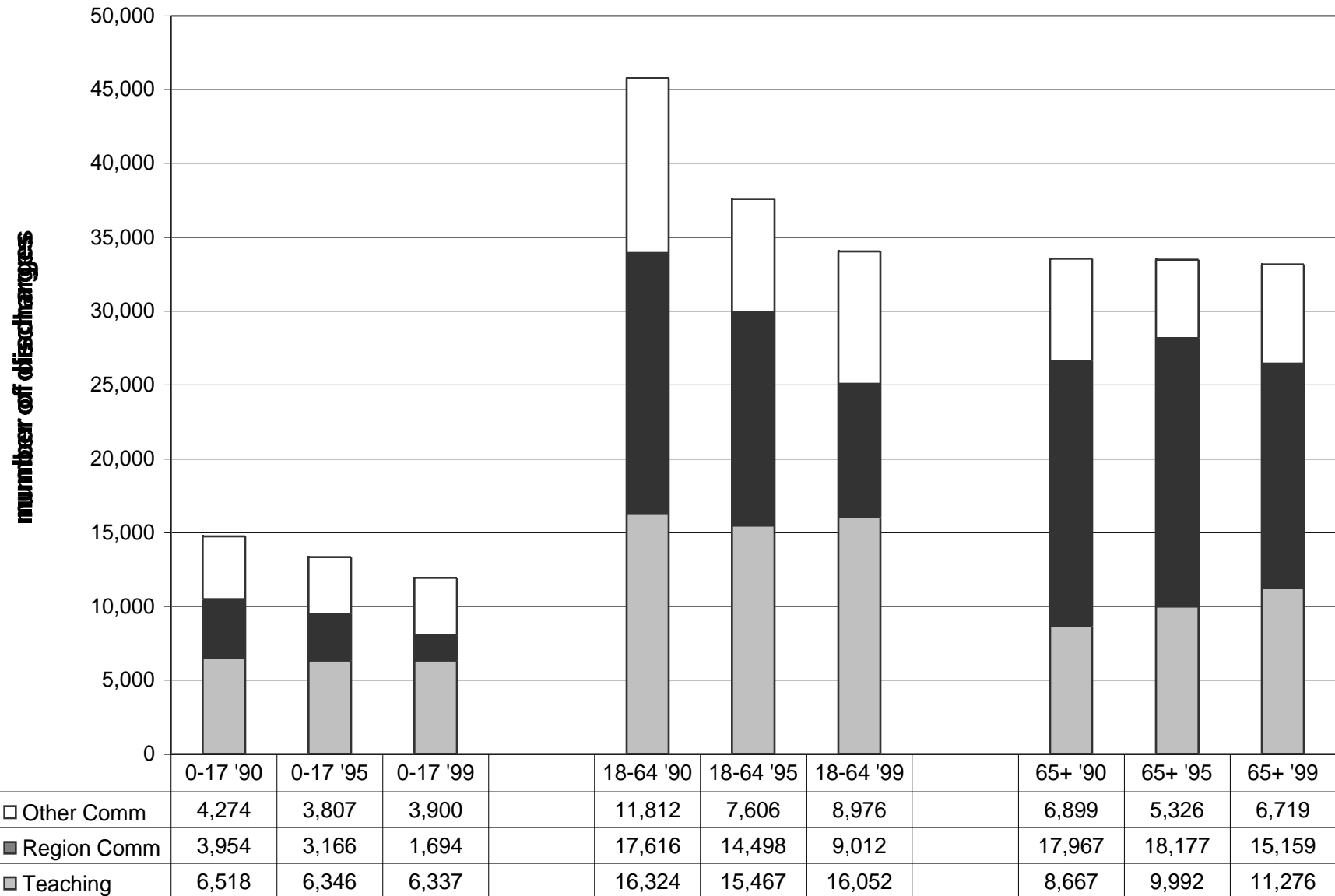
**Distribution of Hospital Discharges
Originating From the Study Area 1999**



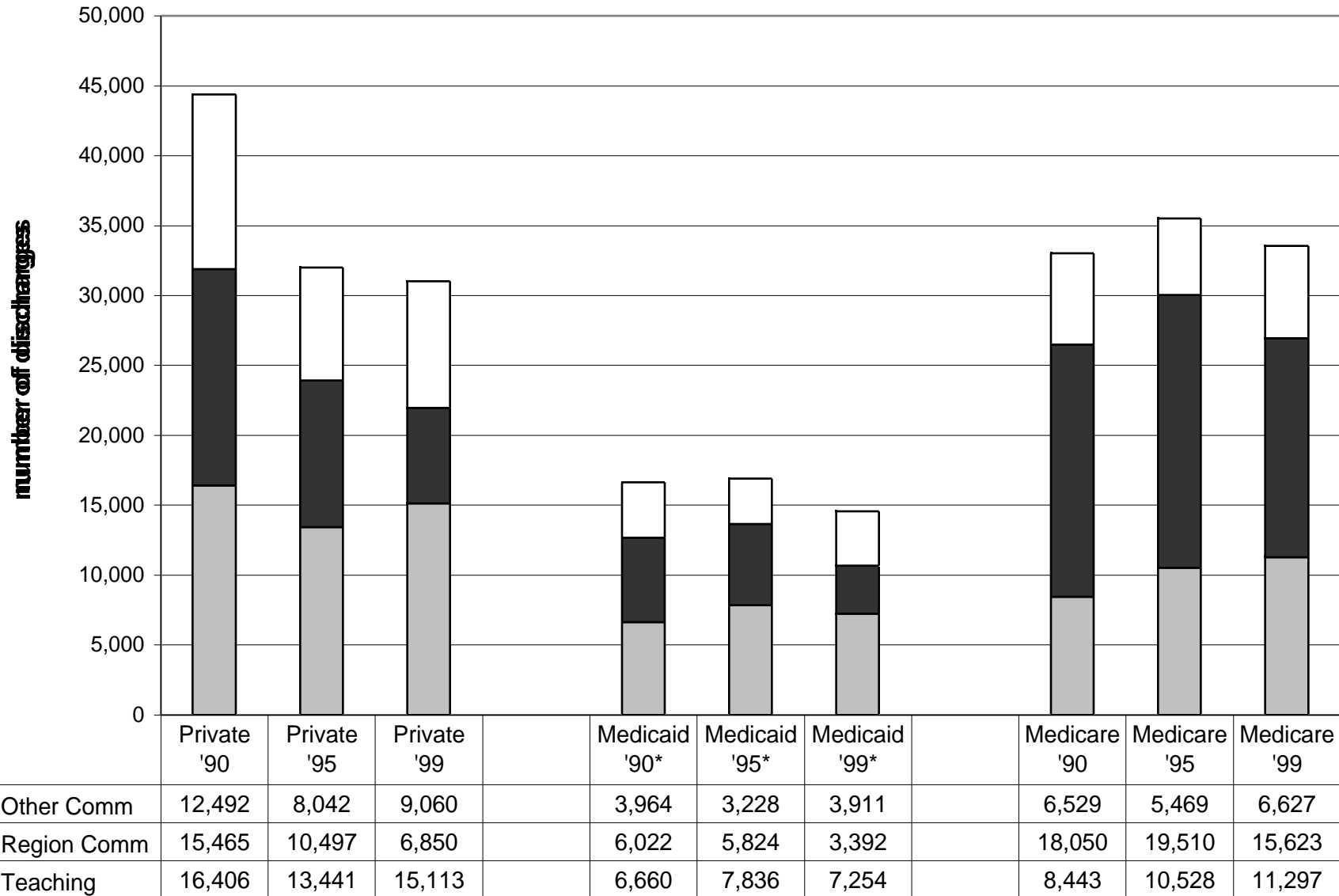
Where Did 1990 Hospital Discharges at Study Region Hospitals Go in 1999?



Distribution by Age Group and Hospital Type for Discharges Originating from Study Region

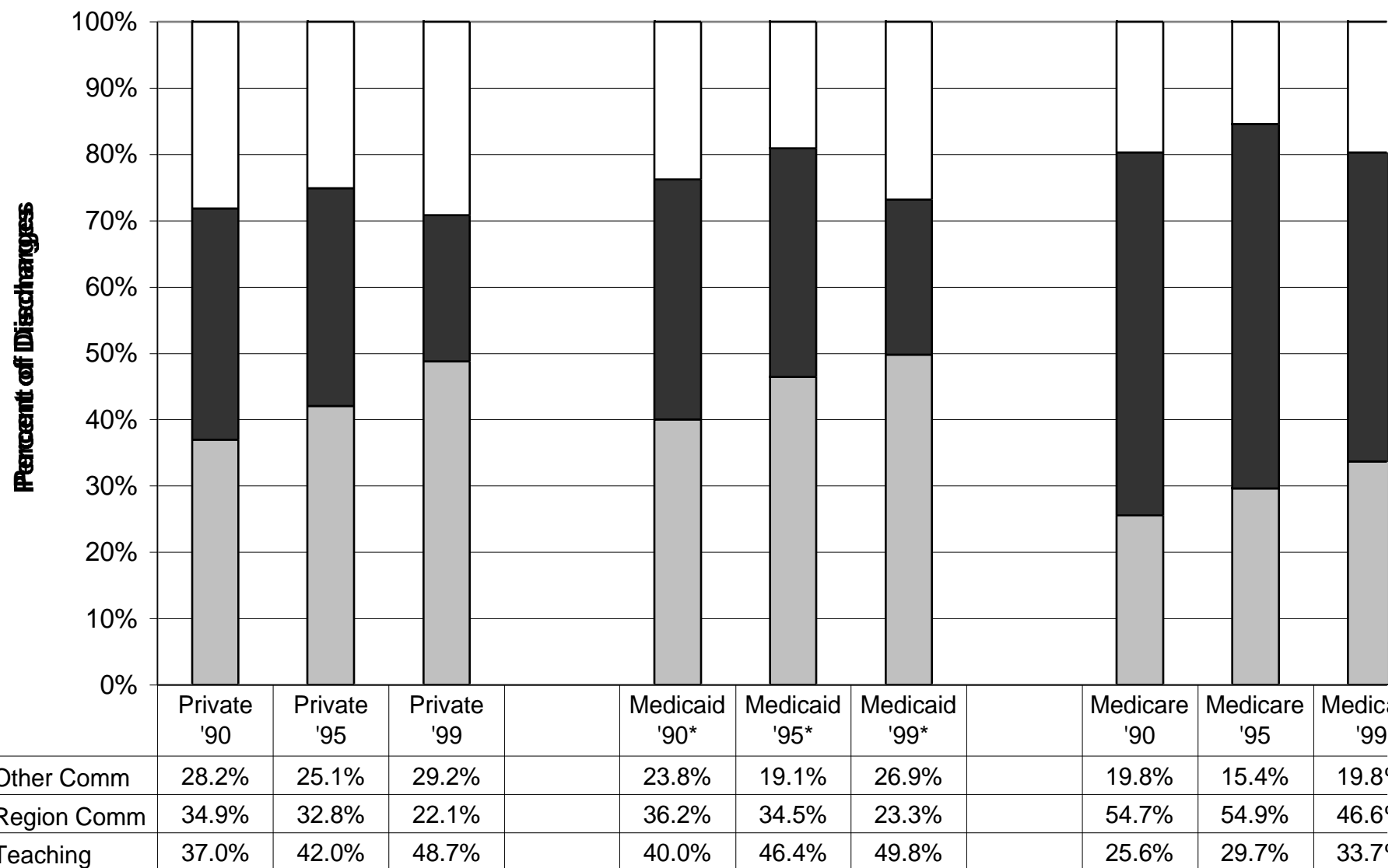


Distribution by Payor and Hospital Type for Discharges Originating from Study Region



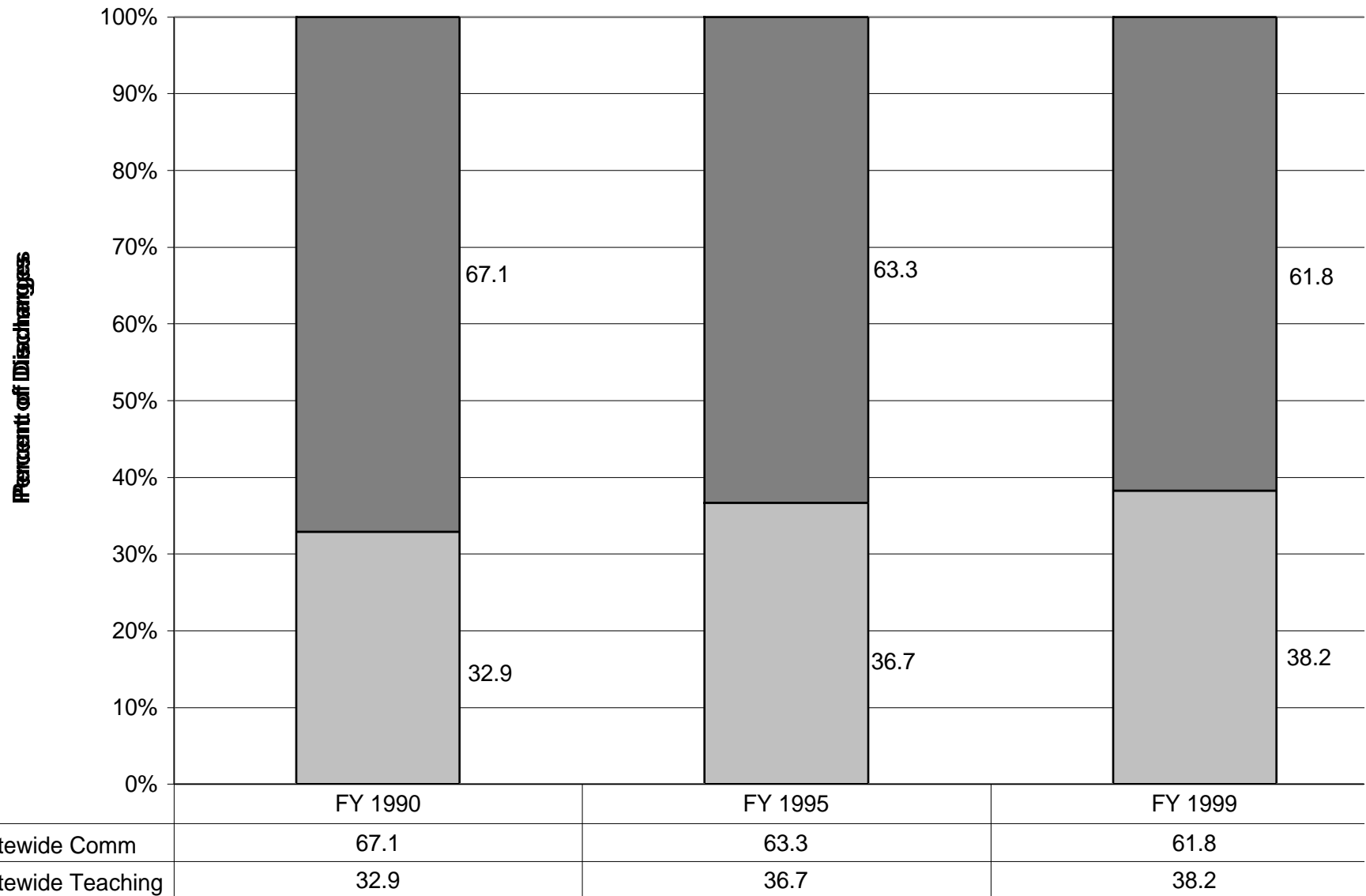
Medicaid category also includes worker's comp, self-pay, uninsured, and other govt. Medicare Managed Care included in Me and Medicaid Managed Care included in Medicaid.

% Distribution by Payor and Hospital Type for Discharges Originating from Study Region

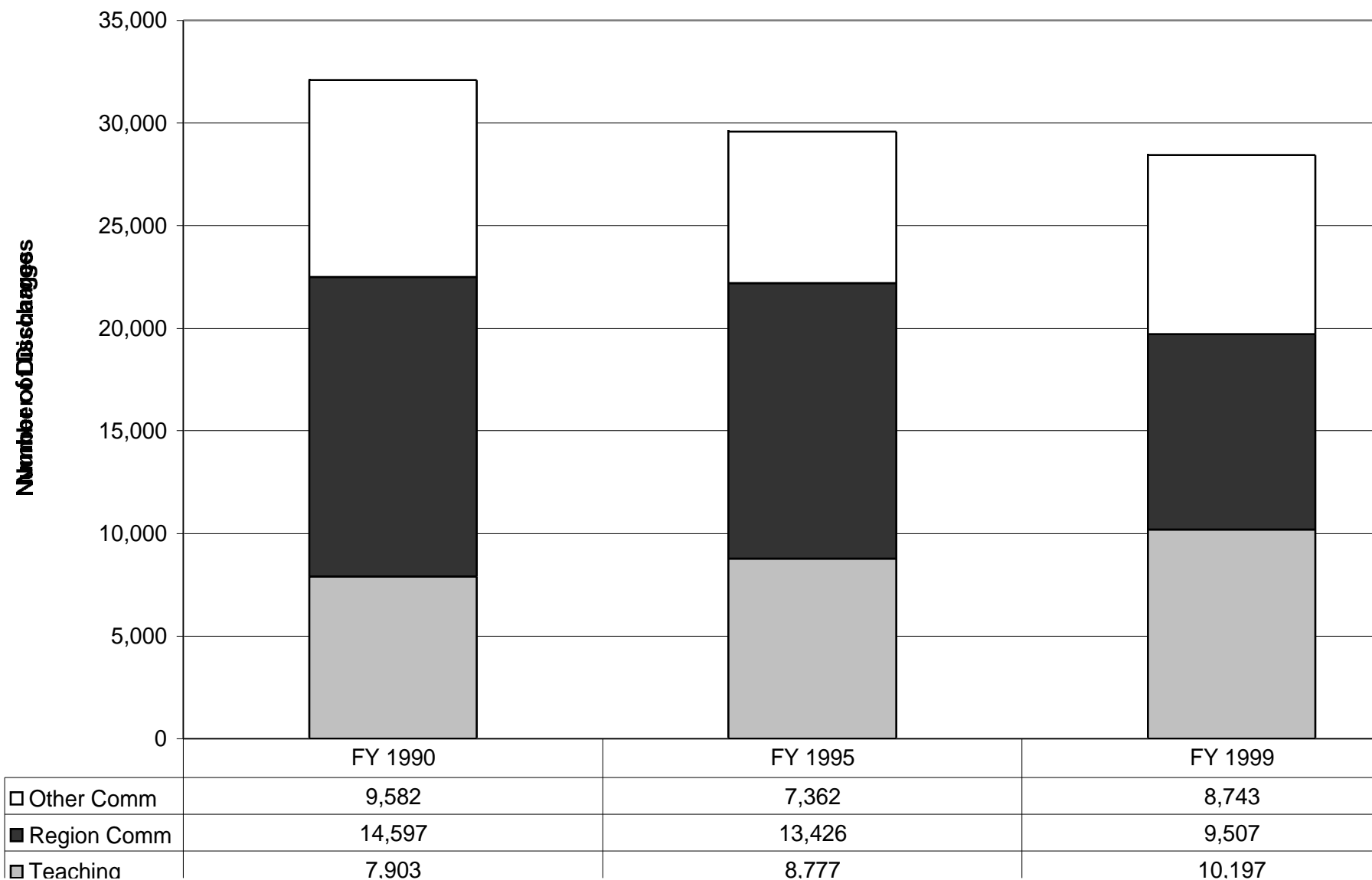


*Medicaid category also includes worker's comp, self-pay, uninsured, and other govt. Medicare Managed Care included in Medicare.

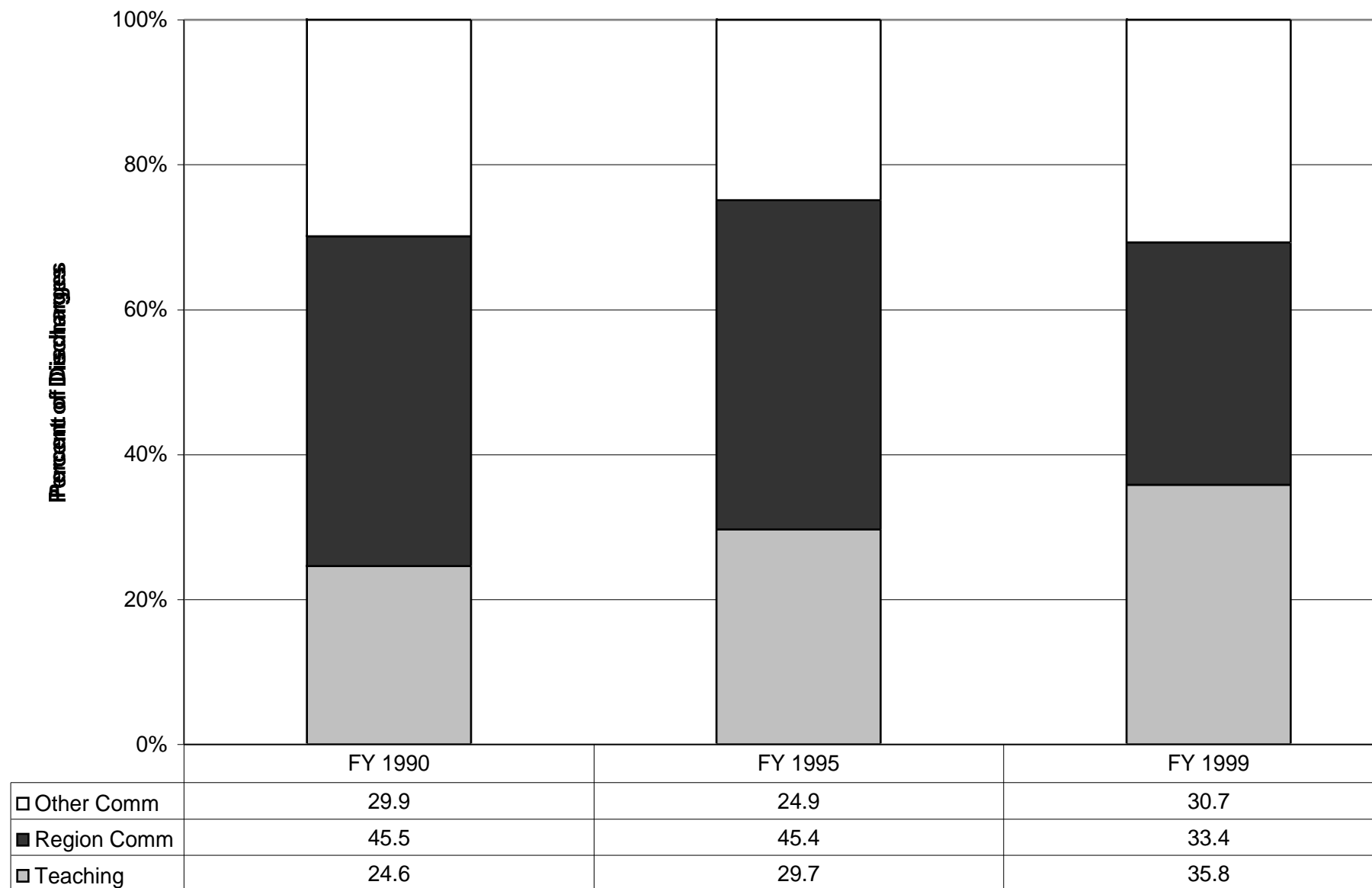
Statewide Distribution of Hospital Discharges For Top DRG's for which Community Hospitals Had at least 60% Market Share in 1990



Distribution of Hospital Discharges Originating in Study Region For Top DRG's for which Community Hospitals Had at least 60% Market Share in 1990



**% Distribution of Hospital Discharges Originating in Study Region For Top DRG's for which
Community Hospitals Had at least 60% Market Share in 1990**

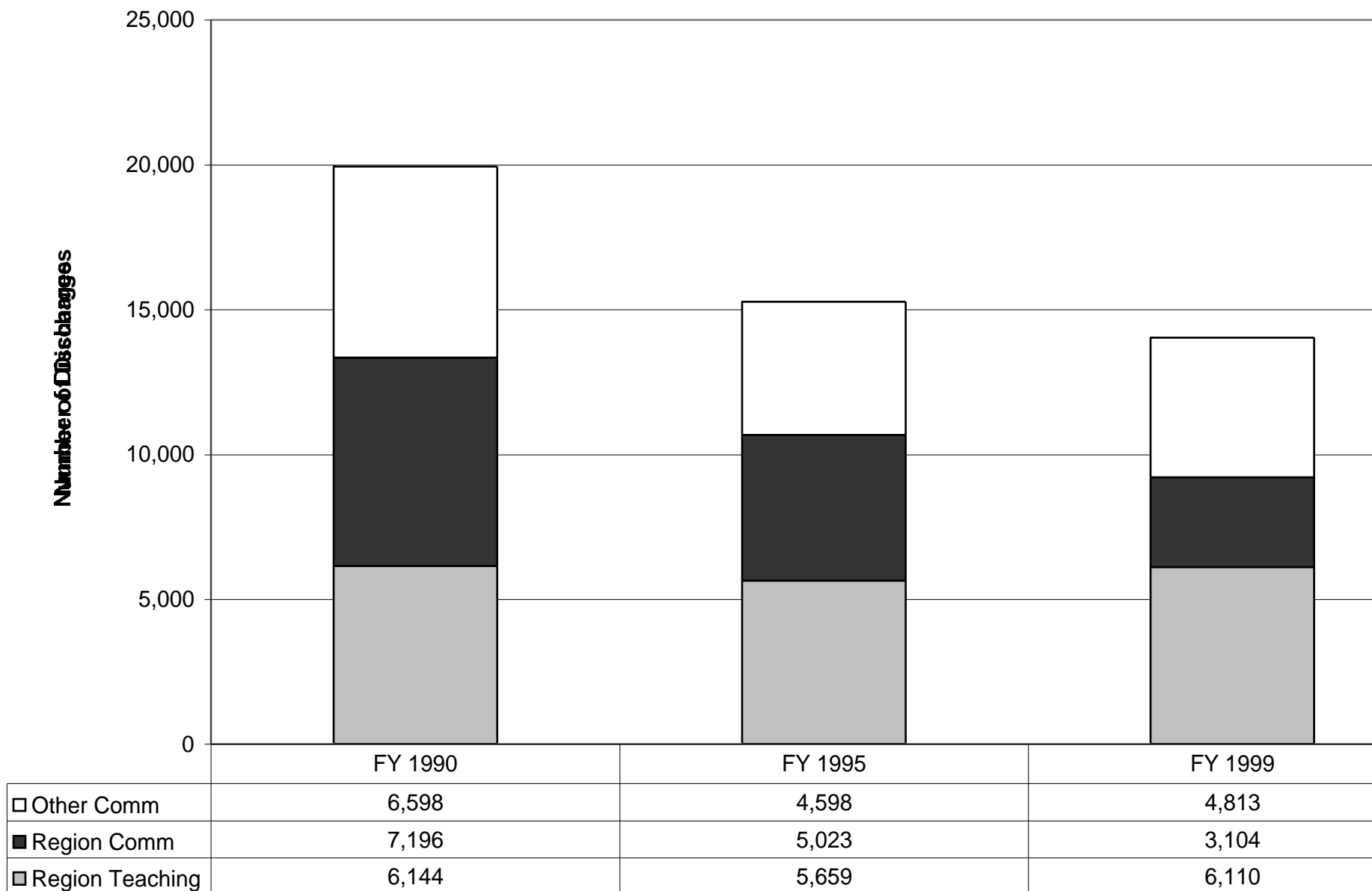


Top Statewide Community Hospital DRGs in FY 1990

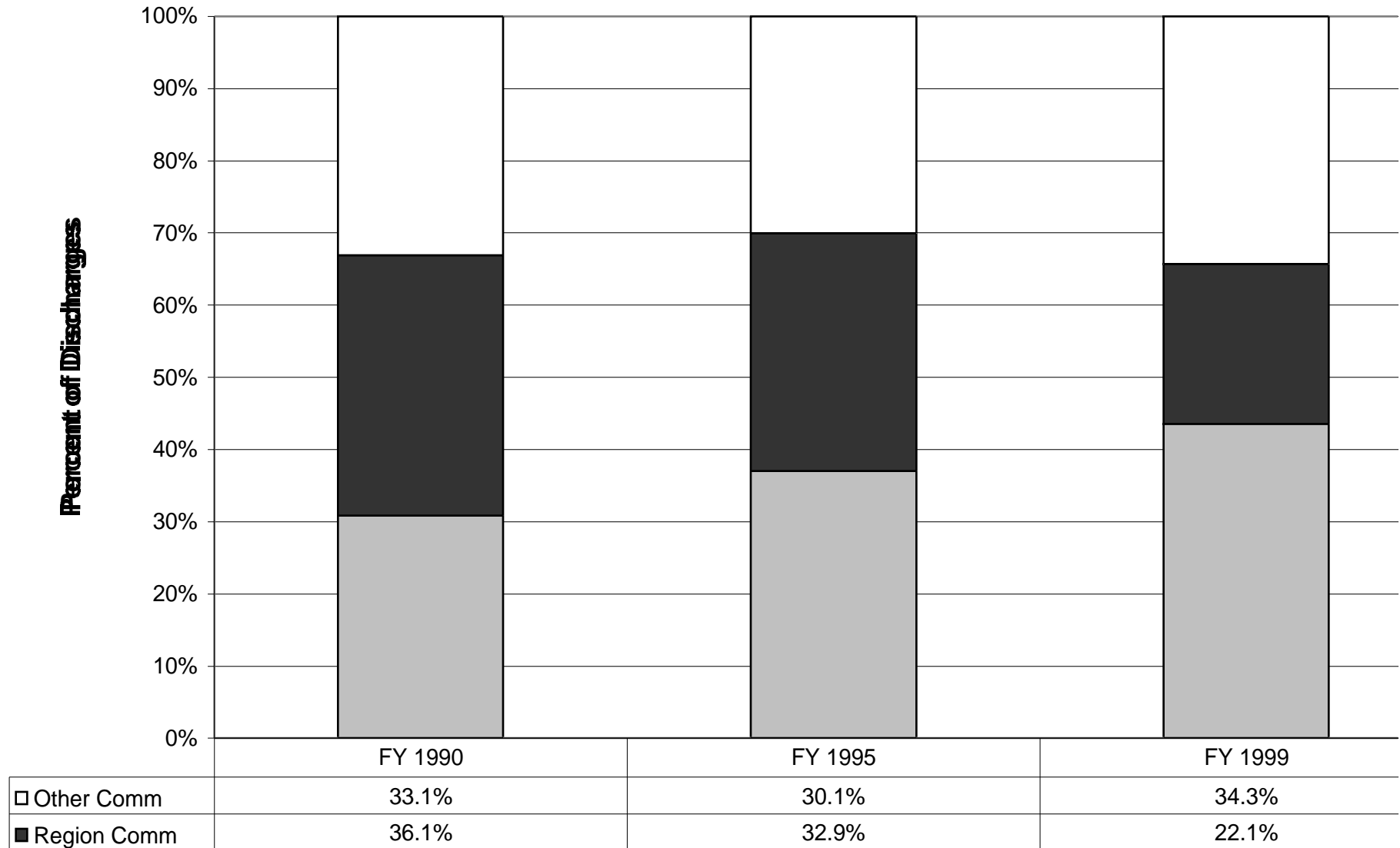
DRG	DRG Description	FY 1990			FY 199
		community	teaching	%community	% commu
014	Specific cerebrovascular disorders except tia	6,153	2,668	69.8	65.4
089	Simple pneumonia & pleurisy age >17 w cc	8,365	3,111	72.9	70.3
096	Bronchitis & asthma age >17 w cc	5,302	1,805	74.6	62.8
097	Bronchitis & asthma age >17 w/o cc	4,619	1,706	73.0	65.3
121	Circulatory disorders w ami & c.v. Comp disch alive	5,172	2,113	71.0	72.6
122	Circulatory disorders w ami w/o c.v. Comp disch alive	4,744	1,805	72.4	72.1
127	Heart failure & shock	12,739	4,601	73.5	70.7
143	Chest pain	8,843	3,420	72.1	54.3
182	Esophagitis, gastroent & misc digest disord age >17 w cc	5,925	2,516	70.2	63.1
183	Esophagitis, gastroent & misc digest disord age >17 w/o cc	8,401	3,386	71.3	65.6
209	Maj joint & limb reattach proc of low ext exc for complications	4,369	2,613	62.6	61.6
243	Medical back problems	5,784	2,545	69.4	64.9
296	Nutritional & misc metabolic disorders age >17 w cc	4,386	1,640	72.8	68.2
359	Uterine & adnexa proc for ca in situ & non-malignancy w/o cc	6,172	3,750	62.2	59.3
371	Cesarean section w/o cc	9,888	5,233	65.4	58.7
373	Vaginal delivery w/o complicating diagnoses	33,030	19,783	62.5	57.2
430	Psychoses	12,637	5,870	68.3	64.4
629	Neonate, bwt >2499g, w/o signif or proc, w normal newborn diag	52,524	31,276	62.7	57.1
751	Alcohol abuse or dependence, w/o cc	7,496	1,497	83.4	68.3
		206,549	101,338	67.1	61.8

An aggregation of 19 of the top 20 DRGs with a 60% or more statewide community hospital market share in FY 1990. (Angina was excluded because of a change in coding practice mid-decade.) In FY 1990, this group of DRGs accounted for 34% of statewide discharges and 24% of those in the Northeast Metropolitan region

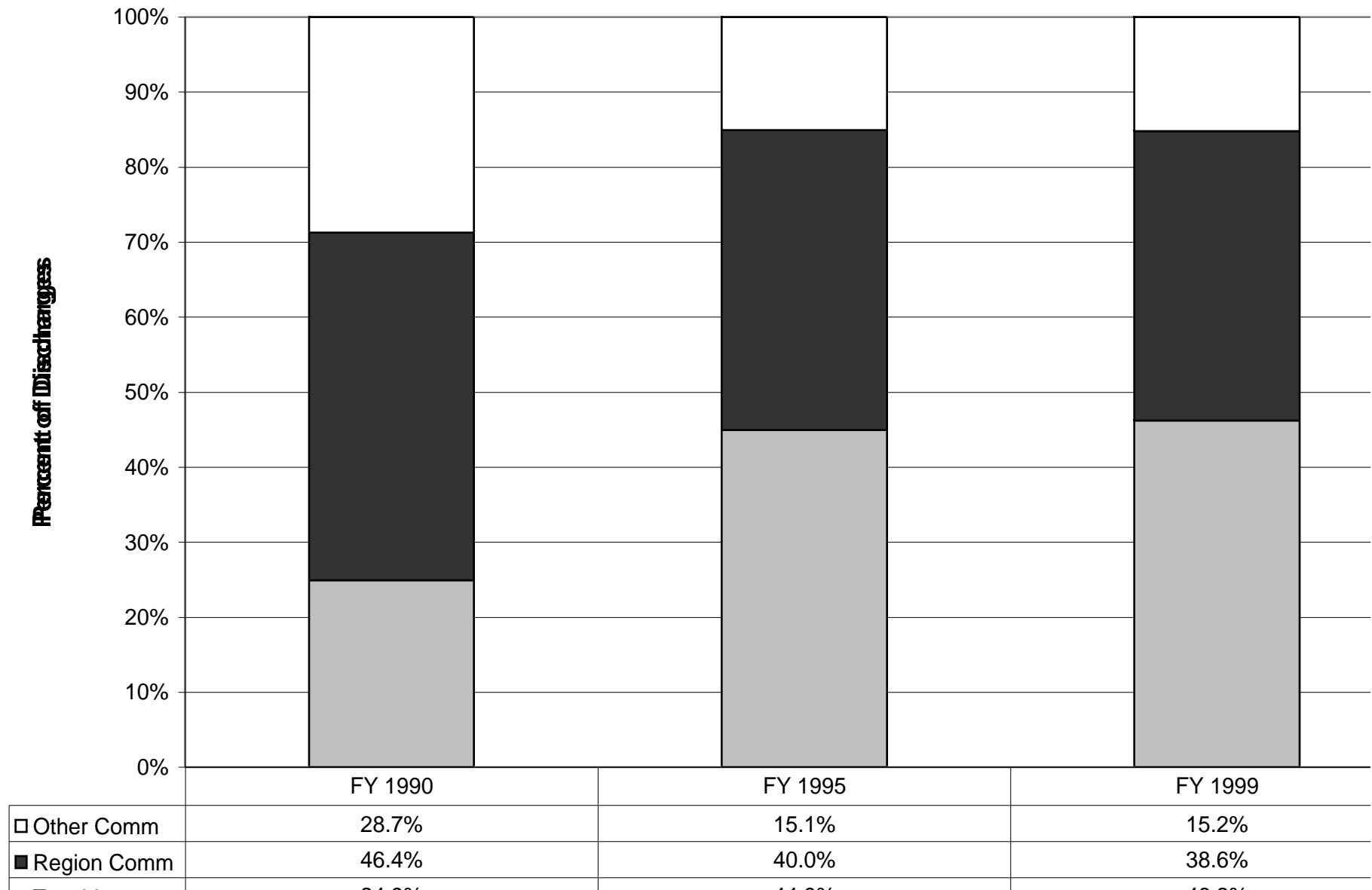
Distribution of Discharges Originating from Study Region for DRG's that saw a Downward Trend Statewide through the 1990's



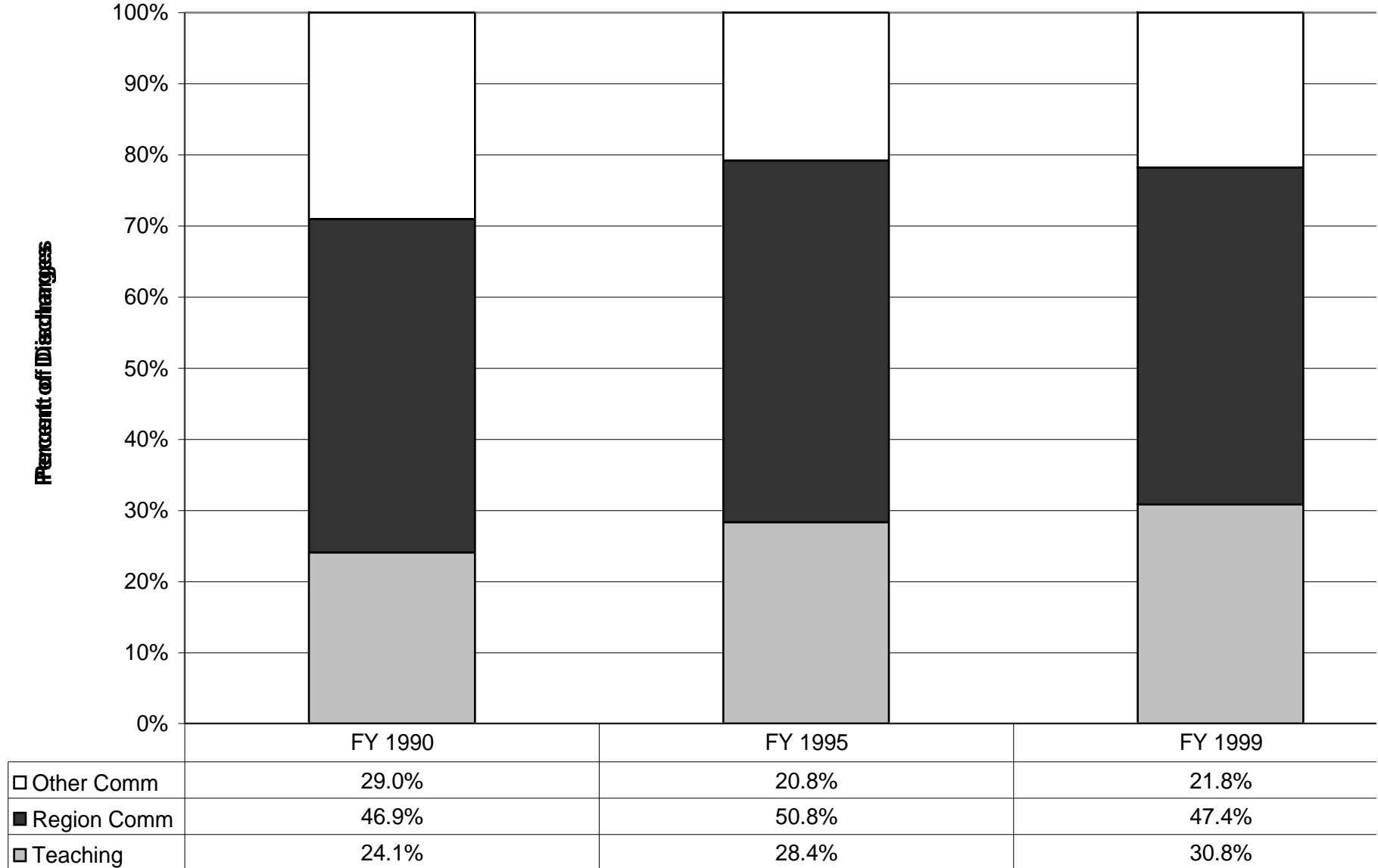
% Distribution of Discharges Originating from Study Region for DRG's that saw a Downward Trend Statewide through the 1990's



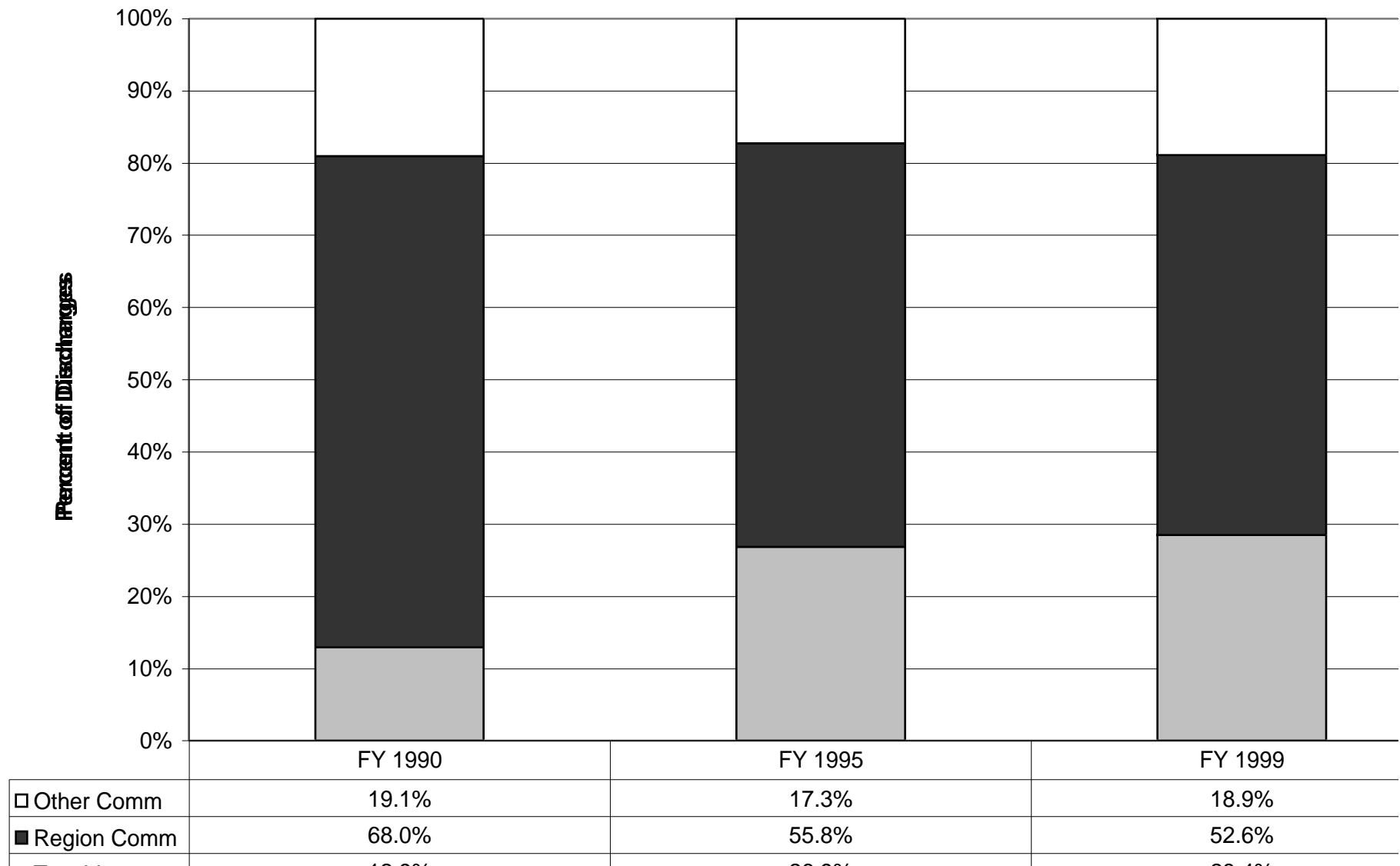
% Distribution of Chest Pain Discharges for Patients from Study Region



% Distribution of Medical Back Problem Discharges for Patients from Study Region



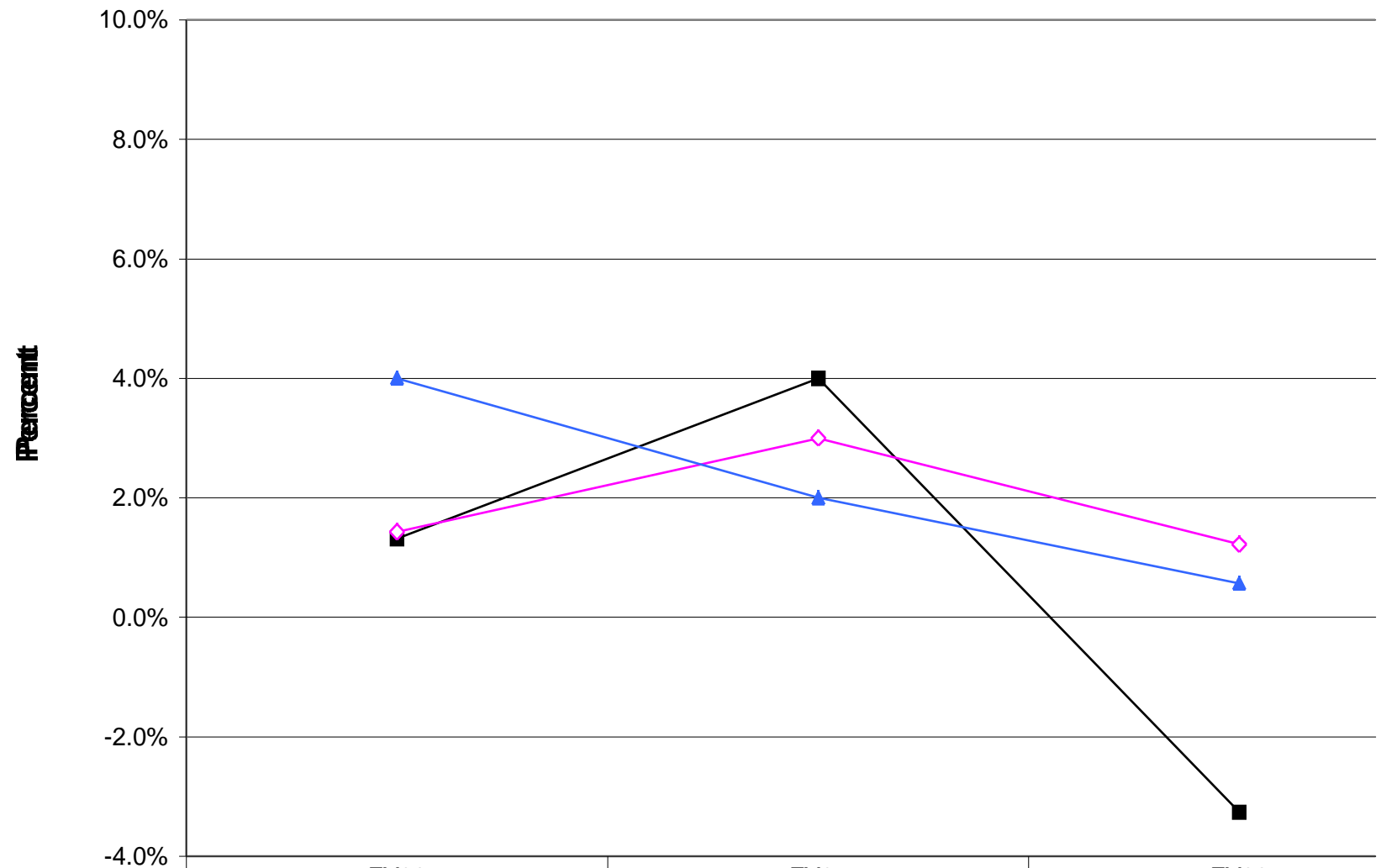
% Distribution of Adult Brochitis/Asthma Discharges for Patients from Study Region



DRGS with Downward Trend Statewide in the 1990's

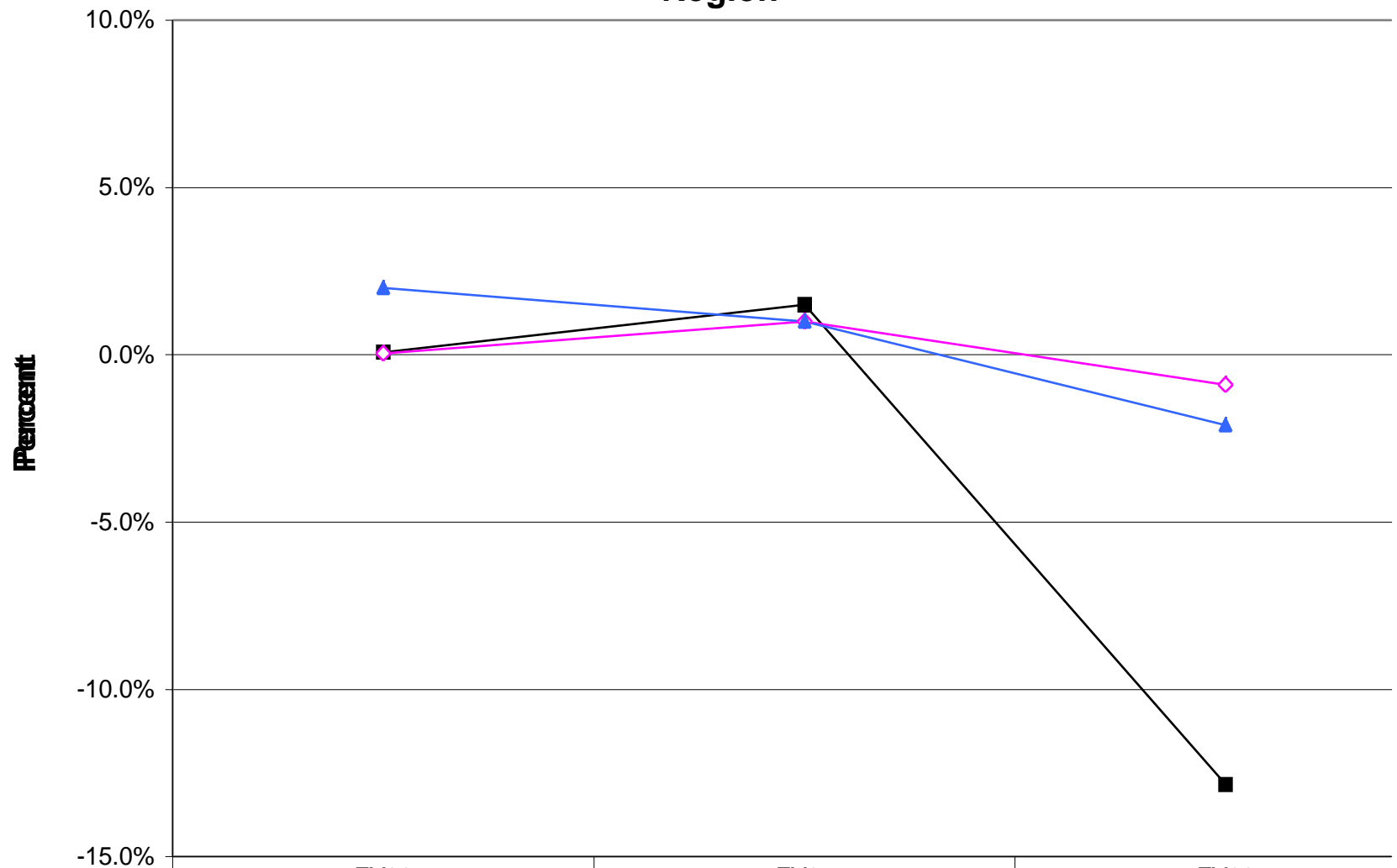
DRG	DRG Description
096	Bronchitis & asthma age >17 w cc
125	Circulatory disord except ami, w card cath w/o complex diag
162	Inguinal & femoral hernia procedures age >17 w/o cc
183	Esophagitis, gastroent & misc digest disord age >17 w/o cc
198	Cholecystectomy w/o c.d.e. W/o cc
243	Medical back problems
373	Vaginal delivery w/o complicating diagnoses
410	Chemotherapy
629	Neonate, bwt >2499g, w/o signif or proc, w normal newborn diag
751	Alcohol abuse or dependence, w/o cc

Total Margins for Hospitals Providing Services to Residents in Study Region



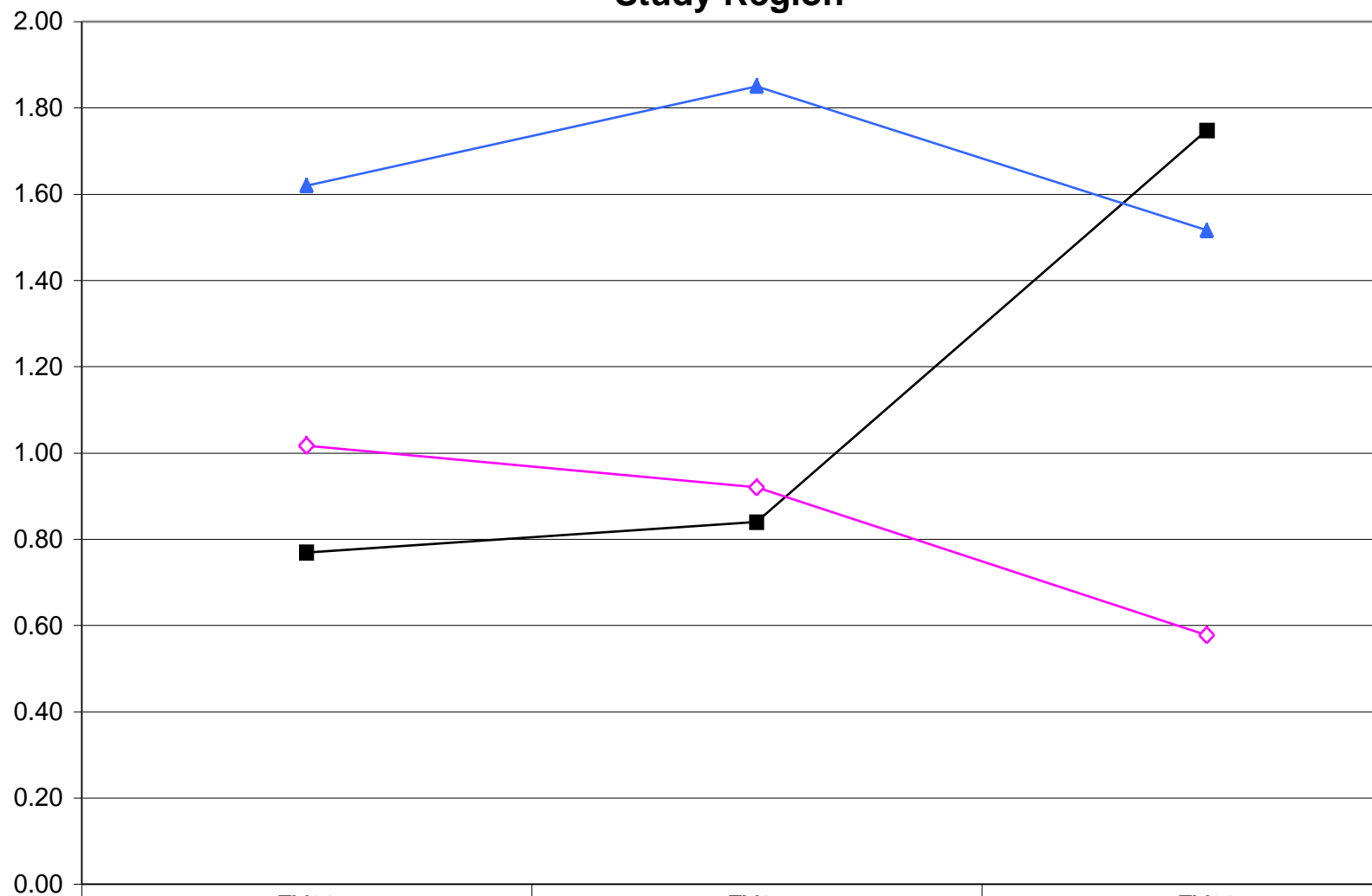
■ Study Area Hospitals	FY90	FY95	FY99
	1.3%	4.0%	-3.3%
◆ Statewide Community	1.4%	3.0%	1.2%

Operating Margins for Hospitals Providing Services to Residents in Study Region



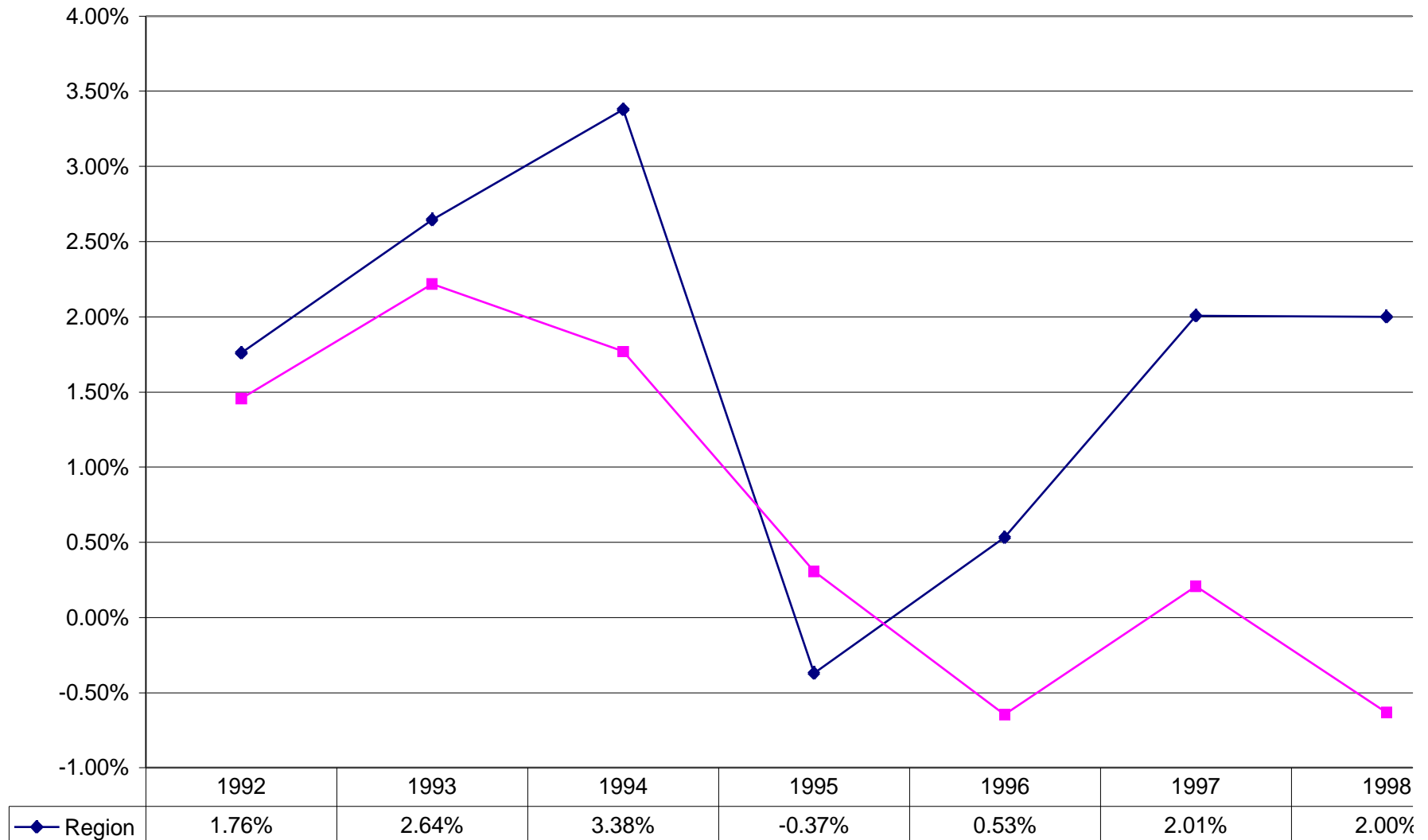
	FY90	FY95	FY99
■ Study Area Hospitals	0.1%	1.5%	-12.8%
◇ Statewide Community	0.0%	1.0%	-0.9%
▲ Study Area Teaching	2.0%	1.0%	-2.1%

Long Term Debt to Net Assets for Hospitals Providing Services to Residents in Study Region



	FY90	FY95	FY99
■ Region Community	0.77	0.84	1.75
◇ Statewide Community	1.02	0.92	0.58
▲ Study Area Teaching	1.62	1.85	1.52

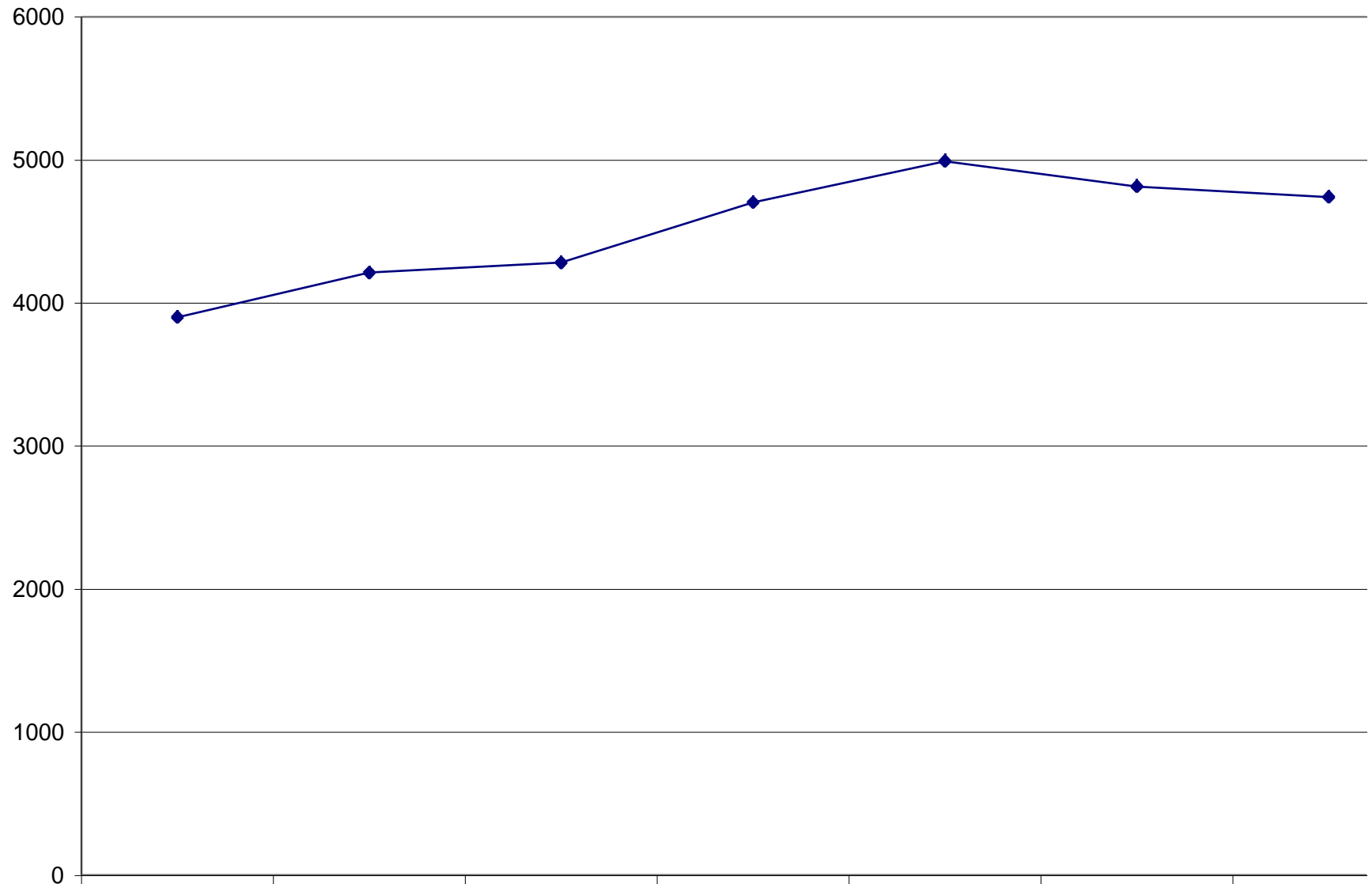
Median Total Profit Margins for Nursing Homes in Study Region Compared to Statewide Median



Nursing Home Occupancy in Region

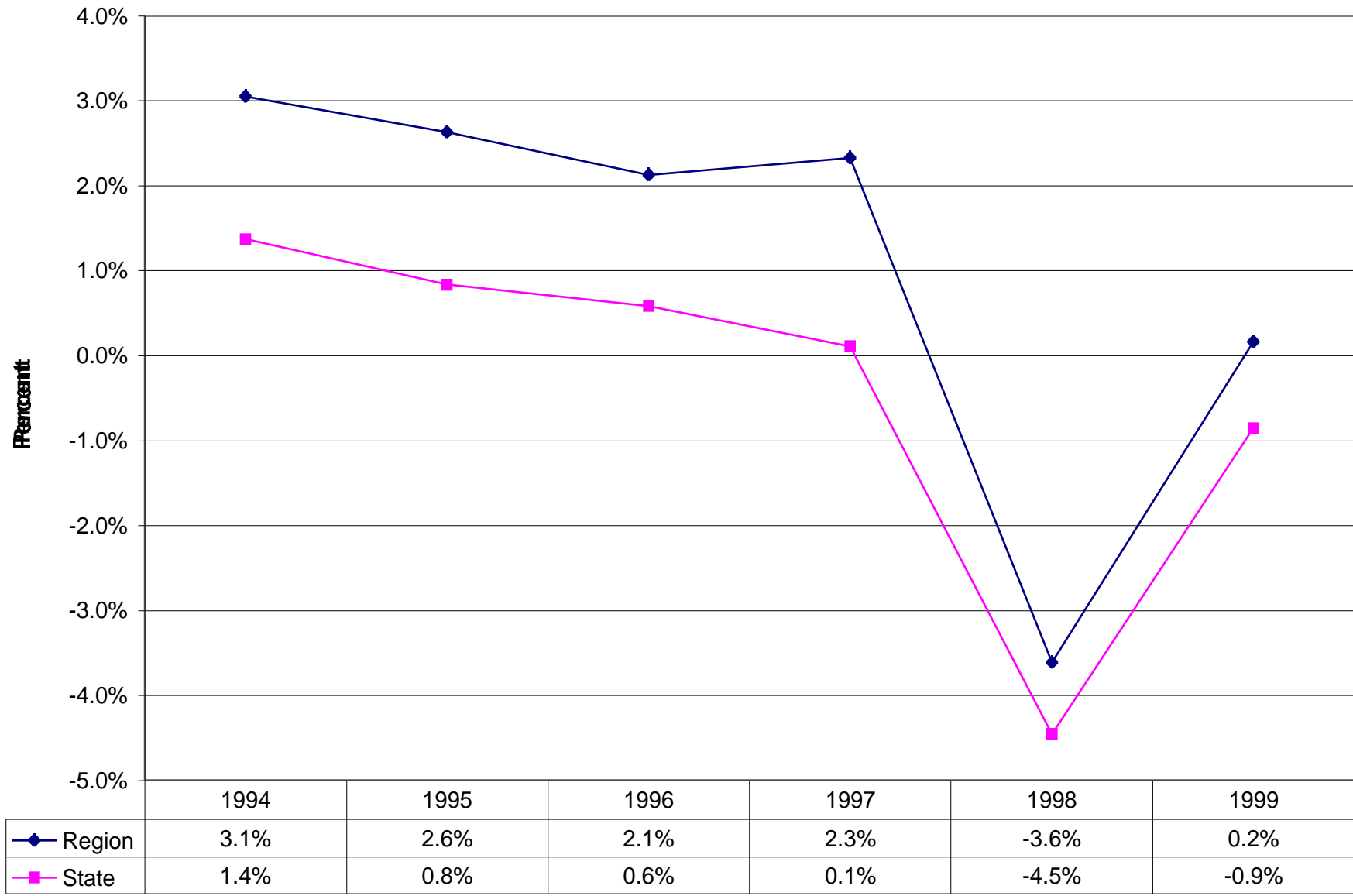


Total Nursing Home Beds in Region



◆ Total Beds	1992	1993	1994	1995	1996	1997	1998
	3901.4	4212.6	4282.9	4704.00	4992.8	4816.5	4740.6

Median Total Margin Region Home Health Agencies Compared to State Median



% Distribution by Payor and Hospital Type for Discharges Originating from Study Region

